

**AMENDMENT TO H.R. 5715, AS REPORTED
OFFERED BY MR. GEORGE MILLER OF
CALIFORNIA**

Manager's amendment

In section 2 of the bill—

- (1) redesignate subsection (b) as subsection (c);
- and
- (2) after subsection (a) insert the following new subsection:

1 (b) **STUDENT ELIGIBILITY.**—Loan limit increases
2 authorized by the amendments made by this section shall
3 be available only to students who meet the requirements
4 of section 484(a) of the Higher Education Act of 1965
5 (20 U.S.C. 1091(a)).

In section 428H(d) of the Higher Education Act of
1965, as amended by section 2(a) of the bill—

- (1) in clause (i) of paragraph (2)(A), strike
“\$14,000” and insert “\$12,000”; and
- (2) in subclause (II) of paragraph (4)(A)(i),
strike “clause (i)” and insert “subclause (I)”.

In section 3 of the bill—

(1) in subsection (a), insert “of the Higher Education Act of 1965” after “428B(d)”; and

(2) in subsection (b), insert “of such Act” after “428(b)(7)(C)”.

In section 4 of the bill, insert “of the Higher Education Act of 1965 (20 U.S.C. 1078-2(a)(3))” after “428B(a)(3)”.

In section 428B(a)(3) of the Higher Education Act of 1965, as amended by section 4 of the bill, strike subparagraph (B) and insert the following:

- 1 “(B)(i) EXTENUATING CIRCUMSTANCES.—
- 2 For loans made on or after July 1, 2008, and
- 3 before July 1, 2009, a lender may determine
- 4 that extenuating circumstances exist under the
- 5 regulations promulgated pursuant to paragraph
- 6 (1)(A) if an applicant for a loan under this sec-
- 7 tion is delinquent for 180 days or less on their
- 8 home mortgage payments and is not more than
- 9 89 days delinquent on the repayment of any
- 10 other debt.
- 11 “(ii) MASTER CALENDAR INAPPLICABLE.—
- 12 Section 482 shall not apply to determinations
- 13 made under clause (i).”.

In section 5(a) of the bill—

(1) in paragraph (1), strike “students and parents” and insert “eligible students and parents”;

(2) in paragraph (3)(A), strike the comma after “paragraph (4)”; and

(3) in paragraph (4), strike paragraph (4) of section 428(j) of the Higher Education Act of 1965 added by such paragraph of the bill and insert the following:

1 “(4) INSTITUTION-WIDE STUDENT QUALIFICA-
2 TION.—Upon the request of an institution of higher
3 education and pursuant to standards developed by
4 the Secretary, the Secretary shall designate such in-
5 stitution for participation in the lender-of-last-resort
6 program under this paragraph. If the Secretary des-
7 ignates an institution under this paragraph, the
8 guaranty agency designated for the State in which
9 the institution is located shall make loans, in the
10 same manner as such loans are made under para-
11 graph (1), to students and parent borrowers of the
12 designated institution, regardless of whether the stu-
13 dents or parent borrowers are otherwise unable to
14 obtain loans under this part (other than a consolida-
15 tion loan under section 428C).

1 “(5) STANDARDS DEVELOPED BY THE SEC-
2 RETARY.—In developing standards with respect to
3 paragraph (4), the Secretary may require—

4 “(A) an institution of higher education to
5 demonstrate that, despite due diligence on the
6 part of the institution, the institution has been
7 unable to secure the commitment of lenders
8 willing to make loans to a significant number of
9 students attending the institution;

10 “(B) that, prior to making a request under
11 such paragraph for designation for participation
12 in the lender-of-last-resort program, an institu-
13 tion of higher education shall demonstrate that
14 the institution has met a minimum threshold,
15 as determined by the Secretary, for the number
16 or percentage of students at such institution
17 who have received rejections from eligible lend-
18 ers for loans under this part; and

19 “(C) any other standards and guidelines
20 the Secretary determines to be appropriate.”.

 In section 459A of the Higher Education Act of
1965, as added by section 7 of the bill—

 (1) in subsection (b)—

 (A) strike “shall be used” and all that fol-
 lows through the period and insert the fol-

lowing: “shall be used (1) to ensure continued participation of such lender in the Federal student loan programs authorized under part B of this title, and (2) to originate new Federal loans to students, as authorized under part B of this title.”;

(2) redesignate subsection (c) as subsection (d);

and

(3) after subsection (b), insert the following new subsection:

1 “(c) MAINTAINING SERVICING ARRANGEMENTS.—

2 The Secretary may, if agreed upon by an eligible lender
3 selling loans under this section, contract with such lender
4 for the servicing of the loans purchased, provided that—

5 “(1) the cost of such servicing arrangement
6 does not exceed the cost the Federal Government
7 would otherwise incur for the servicing of loans pur-
8 chased, as determined under subsection (a); and

9 “(2) such servicing arrangement is in the best
10 interest of the borrowers whose loans are purchased.

